

15 April 1985

TERRORISM AIMED AT MULTINATIONALS MAKES RISK CONTROL GROWTH INDUSTRY  
BY LEON DANIEL  
WASHINGTON

Corporations increasingly are turning to security consulting firms that specialize in risk control for protection against international terrorism.

Multinational firms spend big money to protect their executives from assassins, kidnappers, extortionists, bombers and hijackers.

Risk control became a growth industry during the 1970s when kidnappings prompted multinationals to buy ransom insurance. In turn, insurance firms paid consultants to teach corporations how to avoid becoming victims.

Consulting firms formed by former intelligence agents now operate throughout the world, providing risk analysis, protection of personnel and property and even hostage recovery services. Some of them provide bodyguards and a broad range of courses covering such techniques as evasive driving.

Spokesmen for these companies say some of the Latin American countries are now among the world's most dangerous places to do business.

Lebanon is the highest-risk country in the Middle East, where the consultants say terrorism has increased along with the resurgence in Islamic fundamentalism.

In Western Europe, militant Marxist groups are a worsening threat to companies with contracts to supply weaponry to member countries of the North Atlantic Treaty Organization.

In South Africa, where apartheid policies have triggered violence and prompted calls from abroad for disinvestment, the consultants expect terrorism to increase.

No place in the world is immune to politically inspired terrorism. Kidnappers of expatriate executives can be Moslem fanatics in Beirut or Tamil separatists in Sri Lanka.

There is a growing tendency for kidnappers to grab middle-level as well as top executives because the former are not as well protected. Increasingly, potential victims include missionaries, teachers and journalists.

There also has been a rise in extortion cases, such as when terrorists threaten to contaminate products unless manufacturing firms pay a ransom.

The security consulting field is dominated by two firms -- Control Risks Ltd. of London, and Ackerman and Palumbo Inc. of Miami -- but the surge in terrorism has spawned a dozen or so smaller ones.

Peter J. Goss, director of the Washington area office for Control Risks, still looks for all the world like what he was -- an officer for 30 years in the British Army who once headed military intelligence in Singapore. His colleagues in the firm include former members of the secret British commando unit known as the Special Air Service.

Continued

2.

Goss has the direct gaze of a man who is accustomed to asking tough questions and getting correct answers.

"Certainly there is an increase in terrorism affecting corporations," Goss said in an interview in his office in suburban Bethesda, Md.

His firm has a reputation for handling kidnappings successfully by dealing with the kidnappers, advising on how to handle ransom demands, working with police investigators and even dealing with the press while the victim is held.

"We've dealt with more than 150 major extortions," said Goss, whose firm charges about \$1,400 a day for a negotiator in such cases. "Over 90 of these were long-term kidnappings. In most cases the victims return alive, although in some 10 percent of incidents worldwide the victims may be harmed or killed."

E.C. "Mike" Ackerman of the Miami-based firm also claims expertise in recovery of hostages. But, like Goss, the former CIA operative emphasizes preventive measures to preclude terrorist acts.

"Our thrust is predictive," said Ackerman, whose firm serves more than half of America's "Fortune 500" companies.

Both Control Risks and Ackerman & Palumbo offer clients regular assessments on terrorist activities throughout the world. The assessments are based on intelligence gathered in various countries from experts, as well as on information in the public domain, such as press reports.

"We follow communiques issued by the terrorists themselves," Ackerman said in a telephone interview. "We find terrorists often do exactly what they say they will do."

Ackerman's firm has begun working with architects in the field of "security design.

"Security needs to be built into a building," Ackerman said. "If you're trying to protect a plant in Lebanon, you would need a moving barrier to protect against a suicide truck bomber. But you don't need that for a plant in Connecticut."

Corporations pay firms like his, Ackerman said, "because security affects their bottom line."

Eugene Mastrangelo, an analyst who tracks data for Risks International Inc. of Arlington, Va., a suburb of Washington, offers statistical evidence that there has been a significant increase in international terrorism, particularly in acts targeting businesses.

His figures show 3,525 terrorist incidents worldwide last year, compared to 2,838 in 1983. Last year, businesses were targeted 1,205 times, compared to 760 such incidents the previous year, Mastrangelo said.

He said Chile led the top 10 countries in terrorist incidents, followed by Peru, Nicaragua, El Salvador, Colombia, India, Lebanon, Spain, Northern Ireland and Sri Lanka.

Continued

Mastrangelo said 63 percent of the 22,171 incidents he has recorded since 1970 have occurred during the past five years.

He acknowledged many incidents are not reported but said his statistics can disclose patterns in terrorist activity.

"You can establish a track record for terrorist groups," he said.  
"Knowledge is power."

Mastrangelo and other security consultants say there is a trend for terrorists to shift their attacks from government and military installations to business targets.

"Companies are cranking the terrorism factor into the cost of doing business," Mastrangelo said.

"We are now dealing with a more sophisticated, better armed, more seasoned group of terrorists. These people are willing to take risks. They are not just leaving unattended bombs now. They are willing to come onto the scene, to throw the bomb. They are willing to fight it out with security forces.

"They are dedicated. The average age of terrorists in West Germany now is in the 30s. They are veterans who have been at their trade for over a decade. Now they are beginning to recruit a new generation.

"What this means is that the inept ones are in jail but the good ones are still on the street. The veterans don't engage unless they think they're going to win. They do a lot of reconnaissance."

Mastrangelo said that if experienced terrorists observe that a targeted person continually varies his movements and is protected by bodyguards they may not strike.

"The frustrating thing in this business," he said, "is that we never know how many attacks are thwarted."

Mike Ackerman knows about frustration. In 1975, after 11 years of CIA work took him to 20 countries throughout Latin America, Europe and Africa, he resigned in protest against congressional investigation of the agency, claiming the probe "neutralized" his "operational effectiveness."

**Continued**

4.

At the firm he founded, Ackerman preaches that the best defense against terrorism aimed at businesses is "a trained, alert, concerned executive."

He contends that sophisticated terrorist groups are "simply not intimidated by small bodyguard complements. They can always muster sufficient firepower to overcome them."

Ackerman and other consultants agree that terrorists tend to select their targets from among the more visible individuals and companies.

They urge their clients to blend into their surroundings, avoid publicity and to be as unpredictable in their movements as possible. Regular pursuits, such as jogging, are discouraged.

Executives, their staffs and families are taught how to recognize when they are under surveillance.

Despite such efforts, there still is a worldwide proliferation of kidnappings and much disagreement on how to deal with kidnappers.

The U.S. State Department will not help in ransom negotiations on the ground that paying the kidnappers off only leads to more kidnappings.

Some foreign governments simply concentrate on trying to kill the terrorist culprits to preclude their using ransom money to buy arms -- a strategy that puts the kidnap victim in grave danger.

Once an executive is kidnapped, the process becomes a deadly game of nerves, with the kidnappers often threatening to kill the hostage unless a ransom is paid.

Kidnappers sometimes send tape recordings of the hostage pleading for his life, a tactic that might prompt his shaken colleagues to offer to pay up to end the ordeal. Then the kidnappers might simply double their demand.

Higher than usual ransoms in a particular area can prompt a wave of subsequent kidnappings.

Although hostages usually are recovered, most kidnappers are not apprehended.

In the field of risk control, the goal is prevention of terrorism.

That is why Ackerman, who still talks like the CIA operative he was, says things like, "Our thrust is predictive."